GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:804
ANSWERED ON:22.11.2002
UTI DIVIDEND
PATY RIPPLE KYNDIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government propose to make Unit Trust of India dividend tax-free again;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a to c) Government have, inter alia, decided that the dividend received by the UTI-1, comprising of US-64and Assured Return Schemes, from the corporates in which the assets of UTI-1 are invested net of expenses,shall be passed on to the investors by the UTI and will not be retained to improve its NAV. This dividend will not be taxable in the hands of the investors.